

OFFICE OF THE WASHINGTON STATE LIQUOR CONTROL BOARD

March 24, 1971

The Washington State Liquor Control Board met in regular session. Minutes of previous meeting were read and approved.

Pursuant to Notice Nos. 2952 and 2953, filed with the Code Reviser on March 8, 1971, (continuing matters noticed in Notice Nos. 2904, 2905, 2928, and 2929, heretofore filed with the Code Reviser) Chairman Jack C. Hood and Board Members Leroy M. Hittle and Don Eldridge, together with staff members Arthur F. Mickey, Assistant Attorney General, and I. W. (Bob) Hilson, Beer and Wine Division Supervisor, convened at 9:00 a.m., today in the Board's office in Olympia, at a meeting open to the public, to further consider amendments to Rules (49) and (81), as proposed by the Washington Beer and Wine Wholesalers Association, Inc., Seattle, as follows:

Rule 49 BEER PRICE POSTING, being a portion of TITLE III.--
BREWERS, BEER WHOLESALERS, BEER IMPORTERS AND HOLDERS OF
CERTIFICATE OF APPROVAL (WAC 314-20-100).

Rule 81 WINE PRICE POSTING, being a portion of TITLE IV.--
DOMESTIC WINERIES, WINE WHOLESALERS, WINE IMPORTERS AND
HOLDERS OF CERTIFICATE OF APPROVAL (WAC 314-20-190).

Also present at the meeting were the following persons:

Lou Crompe, State Distributing Co., Tacoma;
Art Eekhout, State Distributing Co., Olympia;
Leon Griffin, State Distributing Co., Olympia;
Bill Cammarano, Cammarano Bros., Inc., Tacoma;
Sydney Abrams, E. & J. Gallo Winery, Mercer Island;
Don Kragerud, Birkenwald Distributing, Seattle;
Harry Nylen, Birkenwald Distributing, Seattle;
Malcolm Robertson, Lang Distributors, Inc., Seattle;
Neil Fowler, Bay Distributing Co., Everett;
Ralph Klemmer, K & L Beverage, Seattle;
Alan Ferguson, Rainier Brewing Co., Seattle;
J. Conte, Rainier Brewing Co., Seattle;
Paul Pauly, Carling Brewing Co., Tacoma;
Thomas Morgan, Olympia Brewing Co., Olympia;
Sherman Huffine, Olympia Brewing Co., Olympia;
John Huddleson, Washington Beer & Wine Wholesalers, Association, Inc.,
Seattle;
Ken Bennett, Totem Beverages, Renton;
Bob Jennings, Jennings Corporation, Bremerton;
Clyde Pitcher, Clark Distributors, Everett;
Frank Donaghy, B & F Distributing, Wenatchee;
Sid Eland, Jr., Sid Eland Distributing Co., Seattle;
Louis Rolle, Lucky Brewing Co., San Francisco, California;
Vernon Lindsog, Attorney, Olympia;
Ronald Murphy, Washington Brewers Institute, Seattle;

Pursuant to its Notices Nos. 2952 and 2953, the Board considered all written materials submitted to it prior to March 24, 1971, and heard orally from all interested persons present who wished to speak for or against the proposed rule changes.

Attorney Vernon Lindsog of Olympia, representing the petitioner, Washington Beer and Wine Wholesalers Association, Inc., explained that proponents

**PLAINTIFF'S
EXHIBIT**

CASE
NO. **CV04-0360P**

EXHIBIT
NO. **043**

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and opponents had reached substantial agreement regarding several changes desired in Rule (49), including allowing the wholesaler to post prices; eliminating the proposal that a reduced price remain in effect not less than 180 days; requiring both brewers and wholesalers to post prices 15 days in advance of the effective date of such prices; requiring posted prices to be consistent between the various packages and containers offered for sale; and proscribing both brewers and wholesalers from disrupting pricing practices. Lindskog added, however, that an impasse had been reached concerning language proposed by Attorney Ronald A. Murphy on behalf of the Washington Brewers Institute, Inc. Both Mr. Lindskog and Mr. Murphy referred to the meeting on March 22, 1971, of representatives of their organizations with members of the Board's staff, at which time a revised Exhibit (B) of the proposals of the Washington Brewers Institute, Inc., regarding Rule (49) was reviewed and discussed. Petitioners request that Rule (49) should provide for the posting by brewers of uniform prices to wholesalers; the Washington Brewers Institute, Inc., requests that Rule (49) should provide for the posting by brewers of uniform delivered prices.

In addition to Attorneys Lindskog and Murphy, Bob Jennings, Sid Eland, Jr., Thomas Morgan and Louis Rolle expressed their views concerning this matter. Mr. Morgan and Mr. Jennings responded to several questions asked by Board Member Hittle. Chairman Hood read a letter dated March 18, 1971, from Max Krause, Spokane Distributors Company, Spokane, Washington, expressing his opposition to the proposed amendments to Rules (49) and (81). Board Member Hittle read a letter dated March 19, 1971, from James Milnor, Milnor Distributing Company, Inc., Yakima, Washington, questioning the proposed changes in beer and wine price posting. Mr. John Huddleson stated that the Washington Beer and Wine Wholesalers Association, Inc., is composed of 80 members, that their Board had approved the proposed rule changes, and that the 55 members who attended the Association's recent meeting had voted unanimously in favor of such changes.

Board Member Hittle stated that in view of the differences in the industry on language to be included in the proposed rule changes, the fact that both language agreed upon, and disagreed upon, as it relates to Exhibit (B) of the proposal of the Washington Brewers Institute, Inc., had not yet been submitted in writing to the Board for its review, and that the Board would want to check with its legal counsel regarding whether the proposed rule changes as modified are within the scope of the notices filed with the Code Reviser, he would move that Board action on the amended petitions for amendments to Rules (49) and (81)

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be deferred. His motion was seconded by Board Member Eldridge, and unanimously adopted.

Meeting adjourned.

The Board entered into lease renewal for Store No. 7 located at 112 South 4th Street in Yakima, for a period of five years beginning July 1, 1971, with no option, at monthly rental of \$550 per month, payable monthly. The lease provides that the water will be furnished by lessor and that all other utilities be paid by lessee. Lessor will insure glass and be responsible for the upkeep of the outside of building, for any interior defects and any major repairs to standard equipment such as furnace, toilets, etc.; new floor tile in the sales area to be installed by lessor. Lessor will re-paint inside walls of the sales area and install a time clock for the outside lights. Lessee will be responsible for minor details such as servicing the furnace, repairing sinks and toilets and the upkeep of interior such as painting walls and floors after the initial work as agreed upon has been done.

Meeting adjourned.

Attest:
Ruth Taylor Mayfield
Secretary

Chairman

Jack Albright

Member

Leroy M. Little

Member

Don Eason

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